



Maryland Teachers & State Employees Supplemental Retirement Plans

William Donald Schaefer Tower ~ 6 Saint Paul Street ~ Suite 200 ~ Baltimore, Maryland 21202-1608
Phone 410-767-8740 or 1-800-543-5605 Fax 410-659-0349

Investment Contract Pool

Separate Account Report as of March 31, 2012

Objective

The MSRP Investment Contract Pool ("ICP") seeks to preserve principal value and provide a relatively stable rate of return comparable to intermediate fixed-income yields over two to five years.

Note: While this ICP Report is constructed on a quarterly basis, the monthly crediting rate is reported on the www.MarylandDC.com homepage.

Risks

This investment is not FDIC insured or guaranteed by the federal or state government. Like all investments the ICP has risks and may not meet its investment objectives, including the objective of a constant principal value. A detailed description of these risks is contained in the ICP overview document, available on the MSRP web site, or on request. Investors should also note that the ICP is not a money market fund and has different risk characteristics than a money market fund.

Investment Overview

The ICP invests in a diversified portfolio of stable value contracts issued by banks, insurance companies, and other financial institutions, and a variety of fixed income instruments including U.S. Government and agency securities, mortgage-backed securities, asset-backed securities, and corporate bonds. Investors earn the average return received under all contracts in effect at any point in time. The ICP's return is affected by the general level of interest rates as well as by cash flows, including those from employer and employee contributions, withdrawals, and transfers into and out of the ICP. The average duration of the ICP's investments will be approximately two to four years. The average credit quality of the ICP's investments will generally be AA (or its equivalent), although individual securities or contracts purchased for the ICP may have a lower credit quality rating.

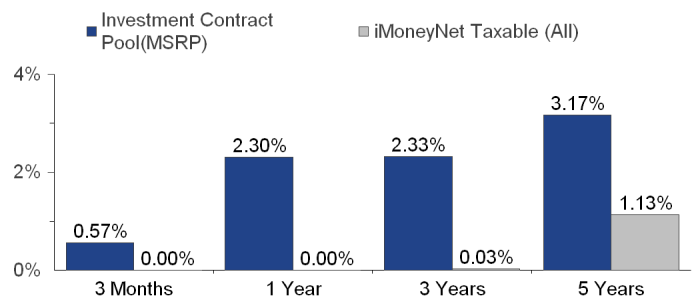
ICP Characteristics

Assets	\$783,853,618
Average Credit Quality (See Profile) ¹	AA
Average Duration	2.85
Previous monthly crediting rate (annualized)	2.34%
Inception Date	1987
Manager	DB Advisors

Sector Allocations^{3,5}

Asset Backed	2.6%	STIF/A-1	9.5%
CMBS	2.6%	AAA	33.6%
Corporate	25.8%	AA+	26.7%
Govt Related	9.7%	AA	2.6%
Mortgage	23.2%	AA-	4.9%
STIF	3.0%	A+	1.6%
Traditional GIC	5.3%	A	5.3%
US Agency	3.7%	A-	5.8%
US Treasury	27.3%	BBB+	3.7%
Wrapper Exposure	-3.3%	BBB	4.3%
		BBB-	1.5%
		BB+ & Below	0.5%

Performance⁶



¹ Represents the weighted average credit quality.

² Prior to July 2006 ING Stable Value Product Group, a division of ING Life Insurance and Annuity Company provided management services.

³ Allocations shown are not necessarily indicative of future allocations. Figures may not sum to 100% due to rounding.

⁴ As rated by Standard & Poor's or equivalent by any other rating services.

⁵ CMBS means Commercial Mortgage Backed Securities. Wrapper exposure represents the difference between the book value of the wrapper contracts and the market value of the underlying fixed income securities as a percentage of the book value of the entire Fund. A positive wrapper exposure denotes that the Fund's book value exceeds the market value of the underlying assets and the issuer of the wrapper contract has a potential liability to the Fund. A

negative wrapper exposure means that the market value of the underlying assets exceeds the book value of the wrapper and the Fund may have a potential liability to the contract issuer.

⁶ Performance shown is net of Investment Management fees. Past performance is not indicative of future results. Figures greater than one year are annualized. The returns herein are not necessarily indicative of the returns that may be achieved over the longer term. There is no assurance that comparable returns will be achieved in the future or that the ICP's investment objective will be achieved. The results portrayed reflect the reinvestment of dividends and other earnings. The iMoneyNet Inc. Money Fund Report Averages is a service of iMoneyNet Inc. (formerly the IBC Financial Data Inc.) and are averages for categories of similar money market funds. Investors cannot invest in an average.



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Strategy Overview

Assets in the Investment Contract Pool are held in trust for the benefit of participants of the MSRP. Participant investments made in the ICP are credited with a daily blended interest rate. Periodically an anticipated monthly or quarterly rate is declared, but not guaranteed. This quoted rate is net of all fees and expenses directly related to the ICP. This average annual expense fee will vary, but typically is approximately 0.35%, annualized. This fee does not include the monthly account fee of fifty-cents or the monthly asset fee assessed on all participants by the Maryland Board of Trustees ("Board") and Nationwide Retirement Solutions, which will total 0.19%, annualized.

The ICP typically invests in the following investments:

(1) Short term cash investments for general account liquidity; (2) Stable value pooled funds, which are stable value commingled bank trusts; (3) General Account Investment Contracts ("GICs" or "BICs"), which are issued by insurance companies or banks and maintain a constant principal valuation while earning interest; and (4) Synthetic GICs, which also allow for principal stability while earning interest. The key difference is that Synthetic GICs are the result of fixed income portfolios owned by the ICP and managed by independent fixed income managers, which generate investment income to pay interest, combined with wrapper contracts issued by insurance companies, banks, and other high-quality financial institutions, which help maintain the principal stability of the ICP.

ICP Investment Policy

The ICP is managed according to a detailed investment policy established by the Board, which is available upon request.

Further Information

For information about the Maryland Supplemental Retirement Plans, investment option booklets, and other general information or to arrange educational seminars, please go to the MSRP website at www.msrp.state.md.us. For additional information about the Plans, financial planning calculators, performance information, mutual fund prospectuses, Plan forms, and to enroll or access an account, please log on to the Nationwide Retirement Solutions MSRP participant website at www.MarylandDC.com.

You may also call the MSRP at 410-767-8740 / 1-800-543-5605 (office hours: Monday thru Friday, 8:30 a.m. to 5:00 p.m.) or e-mail us at info@msrp.state.md.us. Or you may call the Nationwide Retirement Solutions Team MSRP Customer Service Center at 1-800-545-4730.

⁷ Ratings are Standard and Poor's Rating Service, Moody's Investor Services, and Fitch, or its equivalent as determined by the manager, respectively.

⁸ Allocations shown are not necessarily indicative of future allocations. Figures may not sum to 100% due to rounding.

⁹ Fixed income portfolios managed by these fixed income advisors are combined with benefit responsive wrapper contracts to form Synthetic GICs.

NOT FDIC INSURED | MAY LOSE VALUE
NO BANK GUARANTEE | NOT A DEPOSIT
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

ICP Investments^{7,8}

Short Term Investment Funds (STIF)

BONY STIF	A-1	P-1	F1	5.1%
<i>General Account GIC</i>				
Jackson National Life Insurance Co.	AA	A1	AA	1.2%
Principal Life Insurance Company	A	Aa3	AA-	1.2%
Prudential Insurance Co. of America	AA-	A2	A+	35.3%
<i>Synthetic GICs / Wrapper Issuers</i>				
Monumental Life Insurance Co.	AA-	A1	AA-	-0.9%
Natixis Financial Products LLC	A	Aa3	A+	-0.2%
Prudential Insurance Co. of America	AA-	A2	A+	-1.4%
Royal Bank of Canada	AA-	Aa1	AA	-0.9%

General Account GIC

Synthetic GICs / Wrapper Issuers

Fixed income portfolios within Synthetic GICs^{8,9}

Goode Investment Management	15.3%
Hartford Investment Management Company(HIMCO)	22.5%
J.P. Morgan Investment Management Inc.	21.4%
PIMCO	33.7%

The MSRP Investment Contract Pool is not a mutual fund, therefore there is no prospectus. It is a separately managed account, which may utilize collective investment trusts as part of its investment strategy. Unit price, yield, and return may vary.

The comments, opinions and estimates contained herein are based on or derived from publicly available information from sources that we believe to be reliable. We do not guarantee their accuracy. This material is for informational purposes only and sets forth our views as of this date. The underlying assumptions and these views are subject to change without notice.